

## QUICK REFERENCE TOOL

### OFM LEASE APPROVALS FOR REAL ESTATE AUTHORITIES

This document summarizes the requirements for obtaining an approval from the Office of Financial Management for all new leases and lease renewals over 10 years and less than 20 years, for over \$1 million annually, and for space under development as required by law. All documents for approval must be submitted to the [OFM Facilities Oversight Manager](#) and cc'd to the [Program Assistant](#). **It is strongly encouraged that consultation occur before the formal approval process.**

The turnaround time for lease approval is 10 business days from the time of document submission to the OFM Facilities Oversight Manager.

<b>Leases greater than 10 years and less than 20 years<sup>1</sup></b> <b><a href="#">RCW 43.82.010 (3)</a></b>			
<b>Documents to be Provided by General Administration</b>	<b>GA Shall Take the Following Actions</b>	<b>OFM Will Take The Following Actions</b>	<b>Criteria Considered When Reviewing the Submitted Lease</b>
<ol style="list-style-type: none"><li>1) Approval Request/ Justification Memo</li><li>2) Draft Lease</li><li>3) GA 10-year Justification Form</li><li>4) GA Program Assurances document</li><li>5) Life Cycle Cost Model, when applicable (OFM can assist in the completion of this element)</li></ol>	<ul style="list-style-type: none"><li>• Complete the required documents in coordination with the agency. The request memo should address the criteria considered.</li><li>• Obtain approval from the GA Director or Designee.</li><li>• Prepare and submit documentation to the OFM Facilities Oversight Manager.</li></ul>	<ul style="list-style-type: none"><li>• Review the request, supplement any information, and engage the state agency, OFM staff, legislative staff, and GA in discussion as necessary.</li><li>• Complete analysis of the request and make a recommendation to the OFM Director.</li><li>• Route a determination to GA and the state agency.</li></ul>	<ol style="list-style-type: none"><li>1) The lease presents a more favorable rate than would otherwise be available.</li><li>2) The facility is necessary for use by the state for the full length of the lease term.</li><li>3) The facility meets the standards adopted by GA.</li><li>4) An analysis shows that the life-cycle cost of leasing the facility is less than the life-cycle cost of purchasing or constructing a facility in lieu of leasing the facility.</li><li>5) The lease is within an acceptable budget and scope.</li><li>6) A risk analysis demonstrates acceptable risk.</li><li>7) A comparison to the current Six-Year Facilities Plan shows no conflict.</li><li>8) Other relevant factors related to the project or agency may also be considered.</li></ol>

<sup>1</sup> By RCW 43.82.010 (13): This requirement does not apply to the acquisition of real estate by: (a) The state college and universities for research or experimental purposes; (b) The state liquor control board for liquor stores and warehouses; and (c) The department of natural resources, the department of fish and wildlife, the department of transportation, and the state parks and recreation commission for purposes other than the leasing of offices, warehouses, and real estate for similar purposes.

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### OFM LEASE APPROVALS FOR REAL ESTATE AUTHORITIES

**Leases for over \$1 million annually<sup>2</sup>**  
[RCW 43.82.035](#)

Documents to be Provided by the Real Estate Authority	The Real Estate Authority Shall Take the Following Actions	OFM Will Take The Following Actions	Criteria Considered When Reviewing the Submitted Lease
<ol style="list-style-type: none"> <li>1) Approval Request/ Justification Memo</li> <li>2) Draft Lease</li> </ol>	<ul style="list-style-type: none"> <li>• Complete the required documents in coordination with the agency. The request memo should address the criteria considered.</li> <li>• Obtain approval from the Real Estate Authorities Director or designee.</li> <li>• Following approval by the Director or designee, prepare and submit documentation to the OFM Facilities Oversight Manager for review and recommendation to the OFM Director.</li> </ul>	<ul style="list-style-type: none"> <li>• Review the request, supplement any information, and engage the state agency, OFM staff, legislative staff, and real estate staff in discussion as necessary.</li> <li>• Complete analysis of the request and make a recommendation to the OFM Director.</li> <li>• Route a determination to the Real Estate Authority and the state agency.</li> </ul>	<ol style="list-style-type: none"> <li>1) A comparative analysis of the lease cost and any other monetary terms, to the current budget, and to the previous lease costs, demonstrates that the lease is cost effective.</li> <li>2) A comparison of the lease to current market conditions demonstrates that the lease is consistent with the market.</li> <li>3) For new space only, a comparison of the alternative considered demonstrates why the space selected is the most favorable for the state.</li> <li>4) The lease is within an acceptable budget and scope.</li> <li>5) A risk analysis demonstrates acceptable risk.</li> <li>6) A comparison to the current Six-Year Facilities Plan shows no conflict.</li> <li>7) Other relevant factors related to the project or agency may also be considered.</li> </ol>

<sup>2</sup> By RCW 15.04.200 agricultural commodity commissions are exempt from the requirements of RCW 43.82.

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### OFM LEASE APPROVALS FOR REAL ESTATE AUTHORITIES

#### Leases for privately owned buildings that are in the planning stage of development or under construction<sup>3</sup>

[RCW 43.82.045](#)

Documents to be Provided by the Real Estate Authority	The Real Estate Authority Shall Take the Following Actions	OFM Will Take The Following Actions	Criteria Considered When Reviewing the Submitted Lease
<ol style="list-style-type: none"> <li>1) Approval Request/ Justification Memo</li> <li>2) Draft Lease</li> </ol>	<ul style="list-style-type: none"> <li>• Complete the appropriate documents in coordination with the agency. The request memo should address the criteria considered.</li> <li>• Obtain approval from the Real Estate Authorities Director or Designee.</li> <li>• Following approval by the Agency's Real Estate Authority or Designee, prepare and submit documentation to the OFM Facilities Oversight Manager for review and recommendation to the OFM Director.</li> </ul>	<ul style="list-style-type: none"> <li>• Review the request, supplement any information, and engage the state agency, OFM staff, legislative staff, and GA in discussion as necessary.</li> <li>• Complete analysis of the request and make a recommendation to the OFM Director.</li> <li>• Route a determination to the Real Estate Authority and the state agency.</li> </ul>	<ol style="list-style-type: none"> <li>8) A comparison of the alternative considered demonstrates why the space selected is the most favorable for the state.</li> <li>9) A comparative analysis of the lease cost and any other monetary terms, to the current budget, and to the previous lease costs, demonstrates that the lease is cost effective.</li> <li>10) A comparison of the lease to current market conditions demonstrates that the lease is consistent with the market.</li> <li>11) The lease is within an acceptable budget and scope.</li> <li>12) A risk analysis that demonstrates acceptable risk.</li> <li>13) A comparison to the current Six-Year Facilities Plan.</li> <li>14) Other relevant factors related to the project or agency may also be considered.</li> </ol>

<sup>3</sup>By RCW 15.04.200 agricultural commodity commissions are exempt from the requirements of RCW 43.82.